Yugoslavia

A plenum of the Yugoslav Communist Party Central Committee called for furthering the country's recent move toward political liberalization, but a trial of a former ethnic Albanian political leader threatens to inflame already smoldering ethnic tensions.

Political Process. The plenum met in mid-October to draft "stands" for the next party congress in January which will serve as an important forum for nationwide debate on revamping the Yugoslav constitution. The stands—which must still be approved by the regional parties—call for direct, secret ballot elections of government officials, increased legitimacy for the National Assembly through direct, popular elections, and wider recognition of the rights of alternative political groups. The plenum stopped short, however, of sanctioning a multiparty system. The plenum also avoided the more controversial question of how power is to be distributed in Yugoslavia, which has pitted Serbia and its allies, which favor more centralized authority, against Slovenia and Croatia, which are pushing for greater regional autonomy. Their respective agendas will shape constitutional debate at the January congress, which could deadlock on the issue if the current balance of forces within the country remains roughly the same.

Federal leaders are also revising the criminal code to define more clearly freedoms of speech and press, and political crimes. The changes probably will be adopted in the next several months.

Serbia held a multi-candidate referendum for government posts in mid-November that overwhelmingly endorsed Serb strongman Milosevic. Allegations of undemocratic candidate selection procedures used to ensure the victories of Milosevic and his supporters could hurt Milosevic's standing if pro-pluralism sentiments continue to grow among Serbia's intellectuals and youth.

Control of Society. The trial of former Kosovo party chief Azem Vlasi and 14 codefendants on charges of fomenting unrest in Serbia's Kosovo Province last March began on 30 October, refocusing unwanted international attention on Yugoslavia's human rights abuses in Kosovo, the scene of sporadic ethnic conflict in recent years and now under quasi-martial law. It has already provoked protest demonstrations and a forcibly suppressed miners' strike by ethnic Albanians in Kosovo, denunciations by Slovene officials as a "political" trial, and attacks by Yugoslav human rights groups and the press. Western governments are complaining because diplomats were denied access to the courtroom. Rising opposition to the trial throughout the country could force the Serbs into a face-saving solution, such as a pardon after conviction. An acquittal or even a mild sentence would hand Serb leader Milosevic a major defeat in the runup to the party congress and would challenge the legitimacy of Serbia's newly adopted constitutional controls over Kosovo.

Management of the Economy. There was no significant change in October to Yugoslavia's economic management system, already the most decentralized in Eastern Europe. Decades before the current wave of economic liberalization elsewhere in Eastern Europe, Yugoslavia abandoned rigid central planning, allowed private agriculture, and liberalized trade. However, uncontrolled government spending to finance unproductive state enterprises and support consumer subsidies has contributed to chronic inflation that reached about 50 percent per month in October—an annualized rate of almost 13,000 percent. An IMF-World Bank team left Belgrade in mid-November without reaching an agreement on financial targets for a new standby program.

Foreign Relations. Yugoslavia maintained its traditionally non-aligned foreign policy stance, balancing contacts between East and West. Premier Markovic's mid-October visit to the United States to ask for support for his market oriented-reform package and assistance in IMF negotiations helped smooth over cracks in bilateral relations stemming from U.S. criticism of Belgrade's human rights record. Positive Yugoslav press coverage of the visit has also boosted support for Markovic and his reform program at home and improved his chances for completing his term.

Foreign Minister Loncar's visit to the Soviet Union in late October failed to make any progress in resolving problems stemming from Yugoslavia's large trade surplus with the Soviets—in effect, a $2.3 billion interest-free loan to Moscow.

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